

MEETING MINUTES
WATER QUALITY ASSURANCE REVOLVING FUND ADVISORY BOARD
Arizona Department of Environmental Quality, 1110 West Washington Street, Phoenix, Arizona
February 27, 2004

Board Members in Attendance:

Richard Bark	Karen Masbruch
Kelly Barr	Phil McNeely
Bridget Bero	Glinda Oakes
Steven Besich	Karen O'Regan
Frank Corkhill	Linda Pollock (for Tamara Huddleston)
Karen Gaylord	Lee Stein
Will Humble	Nicholas Wallwork
Rick Lavis	Jim Vieregg

Board Members Absent:

Lori Faeth	Manuel Ramirez
------------	----------------

The meeting was called to order at 9:10 a.m.

I. Welcome/Opening Remarks/Administrative Issues –

- A. Welcome: New Members of the Board** – Chairman Rick Lavis welcomed the new members and explained that Manuel Ramirez notified him that he could not attend today's meeting.
- B. Presentations to Retiring Board Members** – ADEQ Director Steve Owens and ADEQ Deputy Director Pat Cunningham thanked the following four departing members for their efforts and presented them with plaques commemorating their service to the Board: Chuck Shipley; Kerri Ann Wade; Dave Kimball; and Tom Suriano.
- C. Presentation: WQARF Advisory Board Award for Excellence In Program Implementation** – Phil McNeely was presented the award for his efforts in program implementation.
- D. Board Process/Orientation** – Chairman Lavis briefly discussed the Board process and explained the new Board members were provided an orientation session.
- E. Meeting Schedule** – Chairman Lavis provided a handout of the Board meeting schedule. The Board will meet the last Friday in April, May, June, September, October, and December 17.
- F. Committee Appointments** – Chairman Lavis briefly discussed the following four Board committees: 1) Funding Priorities chaired by Karen Gaylord; 2) Budget and Finance Committee which is currently being chaired by Rick Lavis since the departure of Chuck Shipley; 3) the Legislative Committee chaired by Kelly Barr and Richard Bark; and 4) the Technical Advisory Committee which does not have a chair. He indicated that he will be seeking new chairs for the Budget and Finance Committee and the Technical Advisory Committee, but all Board members are welcome to attend any committee meetings.

G. Election of Officers – Chairman Lavis indicated that elections will be held in late spring or early summer to elect new Board officers.

II. Approval of October 31, 2003 Draft Meeting Minutes – Chairman Lavis requested that the minutes be revised to indicate that legislative proposal presented by Kelly Barr is attached. The motion to adopt the draft October 31, 2003 minutes was made and seconded. All were in favor to approve the minutes as modified.

III. Department Reports

A. ADEQ – Mr. McNeely presented the ADEQ Department Report.

- 1. Introduction of WQARF Staff** – Mr. McNeely introduced several staff of the Superfund Programs Section at ADEQ including: Monica Mascerano and Lionel Sanchez of the Public Involvement and Outreach Unit; Don Richey, the Manager of the Remedial Projects Unit and the Acting Manager of the Public Involvement and Outreach Unit; and Barbara Stewart, the Manager of the Superfund Programs Coordination Unit. Mr. McNeely also introduced Mike Fulton, the Manager of the Superfund Unit at the ADEQ Southern Regional Office, and Mike Clark, the Chief Financial Officer for ADEQ.
- 2. ADWR Mandate Report** – Mr. McNeely discussed the February 19, 2004 letter he drafted to the Board.
- 3. Community Involvement Program Status** – Mr. McNeely provided an brief update on WQARF community involvement and indicated that there are two staff conducting these activities and another is about to be hired.

B. ADWR

- 1. Introduction of ADWR Staff** – Frank Corkhill introduced Teri Davis, the Manager of the WQARF Unit.
- 2. Reports** – Mr. Corkhill presented the ADWR Department Report.
- 3. Well Spacing and Impact Rules** – Karen Gaylord raised the issue of what happens when a water provider or well owner needs to access a well near a WQARF plume. Ms. Gaylord indicated that if a remedy is selected and PRPs have been identified, the well owner or water provider can negotiate with the PRP for an alternative water supply. She raised the question of what happens when the remedy is years away or the PRP has not been identified. She asked if ADWR can force abandonment or disallow the drilling of new wells due to cross-contamination or impacts to the WQARF plumes. Mr. Corkhill discussed and provided handouts on: 1) Selected Statutes and Rules Concerning Well Drilling in Arizona; 2) General Requirements of Well Impact Rules; 3) Types of Wells Requiring Notice of Intention (NOI) to Drill or Groundwater Withdrawal Permit (GWP) Filings; and 4) Example of Well Impact Analysis. Mr. Corkhill also indicated that ADWR is planning to adopt revisions to the well impact rules. Kelly Barr indicated that ADWR is working on this issue as part of the Governor's Drought Task Force.

IV. Committee Reports

A. Budget and Finance Committee

1. **Financial Report: July 1, 2003 – December 31, 2003** – Mr. McNeely presented the budget reports.
 2. **Program Funding: 2005 Budget**
 - a. **Governor's Recommendations** – Chairman Lavis indicated that the Governor is recommending \$10 million in Corporate Income Tax transfers and the Board will support that position.
- B. Legislative Committee** – Chairman Lavis indicated that Richard Bark was appointed Co-Chair to replace David Kimball. He will serve along with Kelly Barr.
1. **QBS Reform/Dry Cleaner Program**
 - a. **October 31, 2003 Board Motion** – Chairman Lavis discussed the motion.
 - b. **Draft Legislation: Discussion and Adoption as WQARF Board Proposal** – Richard Bark presented the attached draft legislation. Karen Gaylord indicated that the language to delete sites from the Registry in proposed § 287.01(J) should only be one sentence with an “or” after the first existing sentence. Kelly Barr indicated that the language should be reinserted in § 292.01(B) and the new proposed (C) should become a new (K). Karen O’ Regan made a motion to approve the language and Jim Vieregg seconded the motion. All were in favor with Will Humble, Phil McNeely, and Frank Corkhill abstaining. It was noted for the record that ADEQ, ADWR, and ADHS will always abstain on voting for legislative matters or issues related to the Governor’s Office. Mr. Bark also discussed the HB 2667 relating to using WQARF monies to assess hazards related to fires. Will Humble assured the Board that ADHS would not use WQARF monies because they have a grant from Center for Disease Control, but if they lose the grant they would be forced to use WQARF monies because the bill creates a duty. Kelly Barr made a motion to authorize legislative opposition to using WQARF funding for this bill. Karen Gaylord seconded the motion. All were in favor of the motion.
 - c. **Dry Cleaner Negotiations** – Chairman Lavis indicated that the QBS reforms are on hold while the dry cleaner program is considered. A draft will be brought back to the Board for discussion.
 2. **UST HB 2677: SAF Funding of WQARF** – Phil McNeely indicated that ADEQ Director Owens would like the Board’s support to amend HB 2677. Mr. McNeely explained that HB 2677 would sunset the State Assurance Fund (SAF) eligibility for leaking underground storage tanks (LUST) and would allow eligible parties to apply to the SAF until 2010. The SAF and the tax that supported it would then be sunsetted in 2011. Mr. McNeely suggested that this may create more liability to WQARF or create more Brownfields. Director Owens is suggesting that the bill be

amended to keep the tax until 2016 and have the monies that would go to the SAF from 2011 to the WQARF program. Kelly Barr made a motion to evaluate HB 2677 and make a recommendation to the Board. Nicholas Wallwork seconded the motion and all were in favor.

V. Other Business – There was no other business discussed.

VI. Public Comment – No public comments were received.

VII. Adjournment – Ms. O'Regan made a motion to adjourn and Ms Gaylord seconded the motion. The meeting adjourned at 11:15 a.m.